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AEACRE Amendment No. 2

FY 1954

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PART I

1. PURPOSE

The Basic Plan AEACRE and AEACRE Amendment No. 1 provide for a Domestic Operations Base in the United States in support of operations directed against the USSR. The purpose of this document is to renew approval of the Basic Plan as amended for FY 1953 and to obtain approval of the specific Recommendations of Amendment No. 2 covering FY 1954, as outlined at the conclusion of each Part II, III, IV and V attached.

2. BACKGROUND

a. The Basic Plan and Amendment No. 1 for AEACRE provided the establishment of an agent training base in the U. S. in support of operations against the USSR. The main factors dictating this move were:

- (1) The decreasing security of training conducted in Germany.
- (2) The greater efficiency and control to be obtained in an agent training base accessible to CIA Headquarters.
- (3) The migration of the existing reservoirs of potential agents from Europe to the United States and South America.

b. Approval of the Basic Plan and Amendment No. 1 was granted for the establishment of such a base including: a headquarters building removed from any CIA building, 10 safehouses, 20 vehicles, 10 safehouse-keepers, 12 contract instructors, and a T/O of 60 staff employees.

c. During the past twenty-four months, the organization and establishment of this base has proceeded to the point where it is now functioning as the principal agent training center of the SR Division. Exploitation of the new concentration of potential agents in the Western Hemisphere is proceeding and the work of the base is contributing to the knowledge of SR in conducting operations against the USSR. The facilities, equipment, and contract personnel called for have largely been obtained and the level of staff employees is approaching that necessary to properly fulfill the functions with which the project is charged. Specific accomplishments are covered further on under Parts II, III and IV of this amendment.

d. An administrative

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d. An Administrative Plan defining the authorities given to the project and providing for the necessary exceptions to Agency regulations, has been staffed and approved by the Project Administrative Planning Staff. It was approved by DD/A and DD/P on 21 January 1954. When put in operation this plan will assist in providing AEACRE with a "status of almost complete autonomy comparable to that enjoyed [] as approved in AEACRE Amendment No. 1. A copy of this plan is attached herewith as Tab C.

e. AEACRE Amendment No. 2 including a budget of [] was originally presented on 30 June 1953 to cover FY 1954. The apparently sharp increase in budgetary requirements over FY 1953 occasioned a delay in approval and a review of the project by the Inspection and Review Staff. This review has now been completed and AEACRE Amendment No. 2 (Revised) is therefore being re-submitted in line with the recommendations made.

3. PRESENTATION OF AEACRE PROGRAM FOR FY 1954

The program of activities for the Domestic Operations Base for the fiscal year 1954 has been divided into parts in order to provide for definition and specific approval of the activities described:

a. Part I - Preface

b. Part II provides for a continuation of agent training under the Domestic Operations Base. Included also are the support facilities required to maintain the other substantive operations of the project.

c. Part III provides for the spotting and assessment activities of the Domestic Operations Base. A detailed account of these activities is given in order to obtain specific project approval for the operations involved.

d. Part IV provides for the Soviet Area Orientation Program for staff employees of the SR Division and the Domestic Operations Base. This is an interim studies program which will utilize some of the facilities and personnel assets of AEACRE for a period of approximately four months during the year. Because of the scope of this program it is presented as a separate part of the AEACRE Amendment No. 2 in order to obtain specific project approval for the activities described.

e. Part V presents for approval the amended budget for AEACRE Amendment No. 2 covering FY 1954, and reviews the financial background of the project as a whole.

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PART II

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AEACRE Amendment No. 2

FY 1954

PART II.....AGENT TRAINING AND SUPPORT FACILITIES

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PART II

1. PURPOSE

The purpose of Part II of AEACRE Amendment No. 2 for FY 1954 is to provide authorization for the basic agent training activities of the Domestic Operations Base. Described are all personnel and facilities necessary for the training of penetration agents to be dispatched into the USSR. Included also are the DOB headquarters support facilities furnished to Parts III and IV.

2. ACCOMPLISHMENTS

In addition to the general accomplishments described in the Preface, the following are listed as specific accomplishments connected with the agent training mission assigned to DOB on 22 January 1952:

a. A cadre of qualified operations officers has been assembled and is presently functioning as a nucleus of experience for the planning and running of agent training programs to be conducted during FY 1954.

b. Up to 1 February 1954 the record of DOB in agent training cases was as follows:

Completed Training:

Penetration agents	11
Principal agents	6
Other agent personnel	6

Withdrawn during training:

Penetration agents	10
Principal agents	1

Still in training:

Penetration agents	<u>7</u>
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Total	41
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In addition DOB, in support of SR Division requirements, had assisted in seven holding or disposal cases of defectors or

former agent

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former agent personnel.

c. Complete agent training programs in tradecraft and Soviet Reality subjects have been established and qualified contract instructors assembled to give instruction in the following tongues: Russian, Ukrainian, Lithuanian, Latvian, Estonian and where necessary, Polish or German. For certain specialized subjects instructor support is furnished by the Office of Training or TSS and interpreters are furnished by DOB to cover the subjects involved.

d. Agent airborne, maritime and survival training programs have been established by qualified staff employees of the Domestic Operations Base. These programs use facilities furnished by the Military Establishment, thereby effecting considerable savings to CIA in construction and equipment costs.

e. The Domestic Operations Base has served as a training ground for career officers of the SR Division and CIA. Intelligence officers have been assigned to the base for one to two years to assist in training and to acquire experience in agent handling and directing, as well as the techniques of agent operations.

f. A headquarters building has been established where the planning, administration, transportation, supply, security, finances and training support of all activities is centralized. From this headquarters up to 7 safehouses with training units have been put into operation providing small compartmented areas for secure training.

3. AGENT TRAINING PROCEDURES

a. Agent candidates are spotted and assessed by DOB itself (see Part III) or the mechanism provided for this purpose by CSOB in Munich, Germany. After acceptance and recruitment by the appropriate Area Branch of SR for an approved project, the movement of the agent candidate to DOB for training is approved and authorized by the Chief of Operations, SR Division.

b. Prior to arrival of the agent, a minimum of three months is required to obtain the following facilities and support in the Washington area for each agent training unit:

(1) A safehouse within 100 miles of the Washington area, isolated enough to provide for a secure living and training area.

(2) A safehouse

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(2) A safehouse keeper couple to maintain the safehouse and to perform household duties for the agent training establishment.

(3) An average of three vehicles to provide secure transportation for agents from the safehouse to other training areas, to provide contact of case officers with DOB headquarters and CIA, to transport instructor personnel and to effect the supply of the safehouse operation. For security reasons, one vehicle must remain at all times with the case officer on duty with the agent.

(4) If rented unfurnished, the furniture and household equipment must be procured. Training aids equipment such as film projectors, tape recorders, blackboards, communications equipment, and photographic equipment must be set aside.

(5) Training schedules and materials must be prepared, coordinated and approved on an individual basis for each training unit to suit the specific needs of the agents and their mission and to cover a training period of from four to eight months.

(6) One senior and two junior case officers must be selected and prepared for the needs of each training unit. Instructor personnel, both staff and contract, capable of speaking one of the agent's languages must also be readied for their part in his training.

(7) Field facilities for weapons, maritime, airborne, survival and other fieldcraft training must be scheduled and the necessary equipment procured to accommodate this and other training units.

c. After the agent or agents have been received by DOB, they must be kept under twenty-four hour surveillance and guard for the entire period of training by case officer personnel. Daily, weekly, monthly and summary reports must be prepared to assist DOB and the SR Branch concerned in judging the success of the training and the agent mission which has been planned.

d. During all of the training period the agent must be clothed, fed and the necessary relief must be furnished from his intensive training in the form of athletics, recreation and entertainment. At the same time as the training and these other needs are being provided for, an agent's confidence, morale and motivation

must undergo a

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must undergo a continuous process of developing and strengthening. If substantial progress in this regard is not achieved, the chances of a successful mission are largely negated.

e. After the agent has completed his training and intensive indoctrination for the physical, mental and psychological conditions he will face in the target area, control of him reverts to the SR Branch concerned, for assignment of mission, briefing, equipping, dispatch and all the operational phases of his mission.

4. OBJECTIVES

a. To maintain and operate the personnel, facilities and equipment required for the simultaneous training of seven agent training units in support of operations directed at penetration of the USSR.

b. To furnish the support necessary for continuation and expansion of the spotting and assessment activities described in Part III.

c. To furnish the support necessary to initiate and maintain the Soviet Area Orientation program described in Part IV.

5. PERSONNEL

a. Staff Employees

A table of organization of 60 staff employees was approved in August of 1952. This T/O is being revised and re-submitted to conform with the organizational pattern of DOB presently in force. The number of slots requested will remain substantially as at present.

b. Contract Instructors

Existing authority in the project for hiring of twelve contract instructors is sufficient for the present scope of DOB activities. These instructors are housed in a safe-office apart from DOB headquarters, for security reasons, and are transported to the safehouses to conduct training in their specialized subjects as required.

c. Contract Translator-Clerical Personnel

Existing authorities in the project do not provide for

clerical and

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clerical and translator personnel for the safe-office, although their hiring has been considered proper in the past, over and above the limitation of twelve contract instructors covered in para 5 b above. For clarification purposes approval is herein requested for a total of three part or full time clerical assistants and translators. One full time secretary translator @ \$3200 per annum and one part time secretary translator @ \$1.65 per hour (average annual \$2400.00) are presently under contract.

d. Safehouse Keepers

Existing authority for the hiring of ten safehouse keepers or safehouse keeper couples is sufficient for present needs of DOB.

6. FACILITIES AND EQUIPMENT

a. Rents

Existing authorities in the project provide for 1 DOB headquarters building and 10 safehouses. Provision for only nine safehouses at any one time (including the safe-office for contract personnel, para 5 b above, and the safe-apartment for assessments, Part III attached) is being incorporated in the budget. Authority for renting the tenth safehouse will be utilized only in an emergency caused by the necessity of separating members of an agent team, a disposal problem, or other unforeseen circumstances. Authority for the procurement of an additional property at no cost to CIA is being requested in Part IV attached.

b. Vehicles

Existing authorities provide for the procurement of twenty vehicles. An increase in this authority is requested to a total of 23 vehicles, the number considered necessary to support the training projects scheduled for this year and the other activities of the base. The distances involved between DOB headquarters, the safehouses, the safe-office and the different areas where maritime, airborne and survival training is conducted, all create a substantial communications and transportation problem. Security requires that one vehicle remain at all times with the case officer on duty with the agent at the safehouse and moreover that agents be driven only by responsible case officers. Contract personnel or chauffeurs cannot be used for such purposes. With the strictest control over vehicle usage in force, the twenty vehicles authorized will not permit DOB to operate as much as six projects, and seven agent training projects are scheduled for this

year. An increase

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year. An increase of authority to purchase 23 vehicles is therefore necessary to provide the required clandestine transport facilities to DOB.

c. Supplies and Equipment

The authority for the procurement of necessary supplies, material and equipment to support seven agent training units and the other activities of DOB is controlled by the limitations of the budget.

7. COVER AND SECURITY

a. The headquarters building of DOB operates under

Although backstopped, this cover is only used for nominal inquiries at the headquarters building itself, and for certain of the DOB staff personnel. This problem is being continuously reviewed by DOB in coordination with such offices as the Security Office and the Cover Division, in order to provide deeper backstopping or a new cover if necessary.

b. Each safehouse is approved by I & S and provided with its own cover story, which is backstopped through the Security Office or the Cover Division. As soon as the record indicates that the security of a safehouse has been seriously breached, arrangements are made to stop using it or terminate the lease. In no case is one safehouse used for more than two operations or rented beyond a two year period.

c. The security officer of DOB is appointed with the approval of I & S.

8. SUPPORT AND CO-ORDINATION

a. Office of Communications

Support by the Office of Communications will continue to be needed as provided for in the Communications annex to this project.

b. Logistics Office

The support of the Logistics Office in the procurement of real estate, supplies, equipment and materials will continue

to be required

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to be required as at present and as provided for in the AEAGRE administrative plan.

c. Security Office

The support of the Security Office in the procurement of real estate and in other special problems connected with safehouse operations will continue to be required as at present and as provided for in the AEAGRE administrative plan.

d. Cover Division

The support of the Cover Division in the procurement of real estate and the establishing of suitable cover for safehouse operations will continue to be required as at present and as provided for in the AEAGRE administrative plan.

e. Office of Training and the TS Staff

The support of the Office of Training in furnishing instructors and other support for certain specialized subjects will continue to be required as at present. Liaison and co-ordination with the Office of Training will continue on all special problems where their facilities will best serve SR Division requirements.

9. COMMITMENTS

a. Real Estate

All safehouses and safe-offices are being contracted for on a year to year basis. No commitments have been made to Military installations for use of their facilities.

b. Contract Personnel

Contract instructors are initially hired on a two year contract, if the SR Division provides for their movement to the US from abroad. After this period, they are ordinarily contracted on a year to year basis. All other contract personnel are hired on yearly contracts.

c. Staff Personnel

DOB assumes the same responsibilities towards its assigned staff employees as would normally be assumed by any similar []

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[budget.

] Staff salaries must be provided for in the AEACRE

d. Other Commitments

AEACRE has effected no other commitments except those of supporting the activities of Part III and Part IV of this amendment.

10. TIMETABLE

In order to procure the safehouses, safehousekeepers, vehicles, equipment, and supplies and properly schedule training, DOB must have a definite commitment in terms of an approved SR Branch project three months in advance of the first day of agent training. While the authorities for activating a training unit may have been approved in AEACRE, the actual procurement of the facilities required is never effected for reasons of economy until absolutely necessary. For example, if a safehouse is terminated and the immediate need for another does not exist, a new one is not procured until a training unit is definitely scheduled. The functions of AEACRE, however, are continuing ones and the need for DOB will go on as long as agents are to be trained in the manner described.

11. BUDGET

See Part V attached.

12. RECOMMENDATIONS

a. That continuation of the agent training program of DOB as described in the Part II of AEACRE Amendment No. 2 receive approval for FY 1954.

b. That authority for the hiring of three part or full time secretary-translators be written into project AEACRE for the purposes described in paragraph 5 c. above.

c. That authority for the procuring of vehicles under project AEACRE be increased from 20 to a total of 23.

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PART III

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PART III.Spotting and Assessment

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PART III

1. PURPOSE

The purpose of this portion of the AEACRE program for FY 1954 is to provide authorization for the spotting and assessment activities of the Domestic Operations Base. Potential agent personnel in certain areas of the United States, Brazil and Argentina will be screened for use by the various branches of the SR Division in conduct of penetration operations against the USSR. If accepted by SR, the agents will normally be trained by the Domestic Operations Base.

2. BACKGROUND AND ACCOMPLISHMENTS

a. Faced with the movement of reservoirs of potential agent material to the Western Hemisphere, provision for spotting and assessment of agent candidates in the Western Hemisphere was included in the AEACRE Basic Plan covering FY 1952 and its Amendment No. 1, covering a central authority within SR to coordinate and conduct these matters, all responsibility for spotting and assessing of agent personnel in the United States was delegated to the Domestic Operations Base by Chief, SR. The station and scope of these activities have increased with the development of more exacting requirements in agent candidates by the Branches of SR and because experience has shown that greater attention to spotting and assessment is necessary in order to reduce the number of agent failures and aborted missions.

b. During the past year DOB has concentrated on the establishment of spotting nets in the United States. Shortly after the inauguration of this program, however, DOB was confronted with the restrictive provisions of CSN 10-6 which made recruitment in the United States exceedingly difficult. Consequently, DOB has limited itself to two spotters in the United States, a number considered sufficient to meet the needs of SR under present circumstances. No spotting has been conducted in Canada because of the present insurmountable difficulties of working with the Canadian Authorities.

c. At the same time an exploratory study of agent potential in South America has been conducted with good results. Liaison with WH Division has resulted in obtainment of the part time services of a WH contract agent and sub-agent. These sources have not been sufficiently productive due to the workload carried by these agents on WH Division matters. DOB has, however, located two spotter candidates of their own

to exploit

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to exploit South American agent potential. Full operational clearances have been obtained on these spotter candidates.

d. This work by DOB has also resulted in the establishment of a headquarters Assessment Team of experienced staff personnel. This team is equipped to conduct interviews in the field of agent candidates, as well as full assessments in the headquarters area. Comprising the team are three (3) language-qualified intelligence officers of DOB: One (1) Psychologist furnished by the Office of Training; one (1) Polygraph Operator furnished by the I & S Division; one (1) Medical Officer furnished by the Medical Office, and one (1) Psychiatrist from the Office of Training or the Medical Office. All the above personnel are made available, as needed, by the offices concerned.

e. The spotting and assessment section of DOB is serving as a coordination point for SR Division employees on all US field trips where interest or concern of OO field offices may possibly be aroused. Successful working relationships have been established with OO Contacts Division and Cover Division, which assist SR personnel in complying with procedures necessary prior to a field trip and make easily available the support of the field offices concerned. Such an arrangement has been found necessary to avoid the misunderstandings and conflicts of interest which have arisen in the past.

f. The spotting and assessment section of DOB is also the coordinating point between CSCB in Munich and the SR Branches for all spotting and assessment activities conducted under project AEVAMP.

3. SPOTTING AND ASSESSMENT PROCEDURES

The procedures of DOB in spotting and assessment are as follows:

a. The main targets for the spotting nets are such as religious organizations, cultural and recreational clubs, welfare foundations, USSR nationality organizations and individuals whose names have been furnished by other resources of CIA.

b. The spotters work on these sources on the basis of type requirements furnished to DOB by the Branches of SR until sufficient information is received to enable DOB to name-check a prospect and permit a field interview with the agent candidate concerned.

c. If a field interview is called for, a language-qualified case officer from

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case officer from the DOB assessment team next contacts the candidate under non-governmental cover, approved by the Cover Division, showing no connection with the spotter. This field interview develops sufficient information about the candidate's operational capabilities and inclinations to enable DOB to decide whether or not he should be fully assessed.

d. A Provisional Operational Clearance is then requested. Once this clearance has been received, arrangements are made for the prospective agent to be brought to Washington for a full assessment. This is usually accomplished by inducing the agent candidate to more properly direct his interest to Government employment. Transportation arrangements are made and contact in Washington is established with a "Government Employee" who is another case officer of the DOB assessment team. Once these arrangements have been made the first case officer withdraws from the scene, having accomplished his part in the process.

e. During the candidate's stay in Washington a typical assessment runs as follows:

- First Day Introduction, preliminary briefing on security and biographical debriefing.
- Second Day Further biographical debriefing and interrogation with respect to operational requirements.
- Third Day Psychological Assessment.
- Fourth Day Psychological Assessment and Communications Code Aptitude Test if required.
- Fifth Day
 - Morning Psychiatric and medical examinations to determine emotional and physical suitability.
 - Afternoon Carriage and final interview. Subject is then returned to his home to await "Government's" decision.

f. The Branch case officer may be present at any phase of the assessment and is afforded an opportunity to handle certain aspects of the assessment if he so desires. The full assessment report is furnished to the Branch for their final decision on whether the agent candidate will be recruited and contracted for a specific mission. Upon completion of the assessment, DOB retains no further responsibilities in the process of hiring the agent.

4. OBJECTIVES

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4. OBJECTIVES

- a. To more fully establish spotter coverage of existing reservoirs of agent potential in the United States with a maximum of two (2) agent spotters, supported and directed by the DOB spotting and assessment section.
- b. To place in operation spotting mechanisms in Brazil and Argentina, using one spotter in each country, supported and directed by the DOB spotting and assessment section.
- c. To maintain and perfect the methods of the DOB assessment team supported by Psychologists, Polygraph Operators, etc. from other offices of the Agency in order to improve assessment techniques and procedures in handling the different foreign nationalities involved.

5. PERSONNEL

a. Staff Employees

Staff employees to direct the spotting and assessment activities of DOB are furnished as support by AEACRE or the offices listed in para 7 below.

b. Contract Personnel

Existing authorities in the project do not specifically provide for agent personnel to be used as spotters or cutouts. Approval is herein requested for two spotters presently on contract in the United States and two spotters and two cutouts to be contracted in South America during FY 1954. Detailed information on these spotters is contained in TAB "A" attached.

6. COVER

- a. The cover of case officers in contact with spotters in the field or spotters in contact with agent candidates is handled on an individual basis as indicated in TAB "A" attached.
- b. The cover of case officers in contact with agent candidates will be provided by the Cover Division. Present proposals call for
[]
- c. Sterile P. O. Boxes and telephones have been established for other communications between DOB headquarters, spotters and prospective agents.

7. SUPPORT

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7. SUPPORT

a. Support furnished by AEACRE

- (1) Normal headquarters support to include such items as office facilities and supplies, salaries of spotting and assessment section staff personnel, etc.
- (2) Safeapartment in Washington, D.C. area for agent assessment.
- (3) Vehicle and vehicle operating cost.
- (4) Two tape recorders and tapes.

b. Support furnished by I & S - Polygraph equipment and operator as needed.

c. Support furnished by TSS - Surveillance security and technical equipment for safehouse.

d. Support furnished by OTR - Psychologists and Psychiatrists for the assessment and evaluation of agent candidates as required.

e. Support furnished by the Medical Office - Doctors and Psychiatrists for the examination of agent candidates as required.

8. COORDINATION

a. Liaison will continue to be maintained with WH Division, OO/Contacts Division, FI Plans Staff, IAS/Alien Affairs Officer, and others concerned in the implementation of the program.

b. Coordination with the Cover Division will continue to provide suitable cover for DOE staff employees on field trips to contact prospective agent candidates.

9. COMMITMENTS

The only commitments to date are the contracts of the two spotters in the US who have been hired on a year to year basis.

10. TIME-TABLE

Experience has shown that in order for DOE to properly conduct a spotting and assessment program, preliminary requirements must be listed

six (6) to eight (8)

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six (6) to eight (8) months in advance of the anticipated date of training. This schedule is dictated by the time factors involved in initial screening of candidates, preliminary field assessment, obtainment of name checks and clearances, the conducting of a full assessment, and finally recruiting and contracting by an SR Branch. While DOB maintains a record file of agent candidates furnished by the spotters, changing factors, always existent in the human element, continually eliminate names from such a file. Some of these factors are marriage, change of economic status, frequent changes of residence without trace, or an agent candidate may simply change his mind without advancing any reason. Therefore spotting and assessment is a continuing process that must be maintained as long as operations are a continuing function.

11. BUDGET

All costs for the support of the spotting and assessment section of DOB, as well as the field activities involved, have been incorporated in the budget presentation Part V attached. The field or operational costs involved however have also been shown separately below on an average annual basis in order to help define the scope of the spotting and assessment program of DOB.

a. Four (4) Agent Spotters (Maximum salary \$1800.00 each per annum)	<u>Annual</u> \$ 4,800.00
b. Two (2) Cutouts (Maximum salary \$600.00 each per annum)	600.00
c. Travel and expenses of the agent spotters and case officers (4 spotters and 3 case officers @ \$50.00 each per month)	4,200.00
d. Travel and expenses of bringing one (1) agent candidate to Washington, D.C. for full assessment each month @ \$150.00 average.	1,800.00
e. Travel and expenses of Staff Employees to South America for indoctrination of spotters and field assessment of agent candidates.	4,000.00

Total Operational Costs \$15,400.00

12. RECOMMENDATIONS

a. That the spotting and assessment program of DOB as described in this Part III of AEACRE Amendment No. 2 receive approval for FY 1954.

b. That authority for the hiring of two spotters in the US and two spotters and two cutouts in South America be written into project AEACRE for the purposes described in para 5. b. above.

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PART IV

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PART IV SOVIET AREA ORIENTATION PROGRAM

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PART IV

1. PURPOSE

The purpose of this portion of the AEACRE Program for FY 1954 is to provide authorization for development of a Soviet Area Orientation Program for selected staff employees of the SR Division and other units of the Agency.

2. BACKGROUND AND ACCOMPLISHMENTS

a. Past experience has clearly indicated the great need for language and area orientation of staff employees concerned with operations directed against the USSR. After preliminary discussions with the Office of Training in January 1953, it was agreed that OTR would provide for language training and that the responsibility for developing a program of Soviet Area Orientation would be delegated to the Domestic Operations Base of SR Division. A detailed plan for a six month's course in Soviet Area subjects received the approval of Chief, SR and the Director of Training in July 1953, the first course to begin in January 1954. The approval of the Office of Training was predicated on the understanding that OTR did not have the specialized assets to organize a Soviet Area course in the Russian language meeting the requirements of SR and that these assets did exist in SR/DOB.

b. The Inspection and Review Report of October 1953, mentioned in Part I, recommended that the entire program be transferred to OTR inasmuch as staff employees and not agents were to be trained. Although not specifically stated in the recommendations, it is assumed that the transfer was to include all facilities and specialized personnel required for running the course.

c. During the last six months of 1953, however, further considerations by SR of the goals to be achieved and the availability of instructors and students has forced a postponement of the original starting date of Jan 1954, as well as reduction in the length of the course from six months to four. These more limited requirements change the scope of the course and place it in the category of interim training which can be accomplished more efficiently by DOB in conjunction with OTR as outlined below.

d. The planning and organization of this program has resulted in the following specific accomplishments:

- (1). A four month's

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- (1). A four month's course of approximately 360 hours of instruction has been planned and organized by DOB for from 6 to 10 students to begin in September 1954.
- (2). Three qualified contract instructors possessing the necessary language and area qualifications have been selected to teach the program.
- (3). Actual lecture outlines for approximately sixty per cent of the proposed course have been completed by two of the above instructors and reviewed by SR/DOB.
- (4). Exploratory work on cover facilities and the site for this training has been conducted and conclusions reached as noted in the appropriate paragraphs below.

3. COURSE DESCRIPTION

- a. The aims of the Soviet Area Orientation Program are to orient selected staff employees in the environmental reality of the USSR and to equip them to apply this knowledge to the planning and conduct of agent operations directed against the USSR.
- b. Prerequisites for the students attending the course will be (1) a good working knowledge of the Russian language in speaking, reading, and writing, and (2) successful completion of Phases I, II and III of the course of common instruction offered by the Office of Training.
- c. The initial presentation of the course is planned for 1 Sept 1954 to run approximately 4 months. Later scheduling will depend on the availability of students and the needs for this instruction as determined by the SR Division.
- d. Inasmuch as the instructors will be covert associates and because disciplines of a classified nature will be presented, this program will be conducted covertly, in a building apart from other Agency installations.
- e. Presentation will be keyed particularly to that information which must become part of the knowledge of an agent who is to operate within or against the USSR. The fullest possible use will be made of Soviet films, agent and defector debriefings, simulated live situations, and other training media. A detailed outline of the training program is attached as Tab "B".

4. OBJECTIVE

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4. OBJECTIVE

To continue planning and preparation within DOB during FY 1954 for the course described in order to assure its initial presentation in September 1954.

5. PERSONNEL

a. Staff Employees

Staff employees to direct the Soviet Area Orientation Program of DOB are furnished as support by the AEACRE T/C.

b. Contract Personnel

Existing authorities in the project provide for twelve contract instructors for the training of agents (see Part II, para 5 b). Two of these instructors have utilized in the preparation of SAOP and a total of three will be needed full time during the running of the course. As SAOP will offer its course during a low period of agent training activity by DOB, no additional authorities are required in project AEACRE for the hiring of instructors.

6. COVER AND SECURITY

Arrangements have been completed through the Liaison and Control Branch to designate this school as []

7. SUPPORT

a. Support furnished by AEACRE -

- (1) Normal headquarters support to include such items as office facilities and supplies, salaries of covert associates, SAOP staff personnel, and transportation.
- (2) Classroom space, approximately 1600 square feet, in the Washington, D.C. area for conducting the course. Two government owned buildings meeting the physical requirements criteria of SAOP are presently under consideration. One of these may be procured in sufficient time for presentation of the first course after project approval of this AEACRE Amendment No. 2 has been obtained.

(3) Vehicle and

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(3) Vehicle and vehicle operating cost.

(4) Movie projector and screen, 10 tape recording machines, classroom furniture and accessories.

b. Support furnished by the Liaison Control Branch.

Backstopping for the cover described in para 7 a above.

8. COORDINATION

Close coordination and liaison will continue with the Office of Training who, together with SR Division, will furnish staff supervision over the substantive aspects of the training involved. A detailed course outline will be presented for their approval prior to the presentation of each course in order to assure that no conflict exists with the training principles as established by OTR and that no duplication of effort is being undertaken in respect to staff employee training conducted by an office other than OTR.

9. COMMITMENTS

No commitments have been made. The SAOP has been announced to SR Division personnel.

10. TIMETABLE

a. It is intended that SAOP will be presented at a time of year when a low period of agent training activity exists at DOB. Thus good advantage will be taken of the availability of both contract instructors and students.

b. The first course is scheduled for September of 1954, but in order to make proper preparations, it is necessary that project approval be granted at this time. Subsequent courses will be presented at the discretion of Chief, SR and subject to the availability of both instructors and students.

11. BUDGET

Operational or field costs are not shown separately for this program, as they are in fact a proportion or share of the overhead of project AEMACRE and not extra costs incurred solely because of SAOP. Such equipment as tape recorders, movie projectors, blackboards, desks,

as well as

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as well as training materials, will be furnished on loan by DOB or other offices of CIA. For an estimate of the proportional cost of this program in the AEACRE FY 1954 budget see Part V attached.

12. RECOMMENDATIONS

a. That SAOP as described in this Part IV of AEACRE Amendment No. 2 receive approval for FY 1954.

b. That the authority for the procurement of government owned space for classrooms at no cost to CIA be written into project AEACRE for the purposes described in para 7 a (2) above.

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PART V

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PART V

1. PURPOSE

To provide funds for continuation of a Domestic Operations Base in the United States in support of operations directed against the USSR covering FY 1954.

2. BACKGROUND AND AUTHORITIES

a. Basic Plan, FY 1952

The basic plan AEACRE was approved by ADSO on 22 January 1952 and by the PRC on 4 April 1952 for FY 1952, in the amount of []

b. Amendment No. 1, FY 1953

Amendment No. 1 covering FY 1953 was approved by ADSO, ADPC and DDP on 2 April 1952, in the amount of [] and again on 8 May 1952, to include [] for the Office of Communications or a total of [] for FY 1953. A record of PRC action shows that at its meeting on 9 May 1952, AEACRE Amendment No. 1 was approved in the amount of [] covering the period ending 31 December 1952. [] in addition was earmarked for the balance of 1953, to be made available after further PRC review and approval. While such review was not made, funds were allotted for the full fiscal year by OSO and by OPC [] for a total of [] Disbursements for FY 1953 exclusive of the Office of Communications totaled []

c. Amendment No. 2, FY 1954

Amendment No. 2 including a budget of [] for FY 1954 was submitted 30 June 1953 for C/FI and PRC approval only. It had been determined that PP and PM interest was small and secondary and that the operations contemplated for FY 1954 were primarily of FI concern. The general program received PRC approval in principle as a support function in the SR Division program for FY 1954. Support funds in the amount of [] were allocated and through the second quarter of FY 1954 allotments total [] and obligations [] Formal project approval of AEACRE Amendment No. 2 was however deferred pending a review of the project by I & R, as indicated in Part I. This review has been completed and therefore AEACRE Amendment No. 2 is being resubmitted in line with its recommendations.

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3. PRESENTATION OF FY 1954 BUDGET

a. The AEACRE program for FY 1954 as outlined in Parts II, III and IV of this amendment defines the activities involved and the need for their continuance. In order, however, to correct omissions in the original presentation of the FY 1954 budget of [] and to emphasize the basic costs of running the project, comparison figures are discussed below on selected categories of the revised budget of []

b. Unlike the normal operational project, AEACRE must budget for salaries of a substantial number of staff personnel, in addition to personnel on contract. A consequence of this is that the total for compensation of [] accounts for over two-thirds of the AEACRE budget for FY 1954 and more than the entire budget in FY 1953.

c. While DCB is still operating under the T/O for 60 staff personnel approved in August 1952 and the ceilings for contract personnel approved in May 1952, the positions authorized were not filled by incumbents until early in the calendar year 1953. Thus although only [] was spent for staff compensation in FY 1953, [] has been spent for this purpose in the first six months of FY 1954. It is expected that staff salaries will run higher during the second six months for a total of [] over the full year. Compensation paid to contract personnel including instructors, spotters and safehousekeepers amounted to [] in the first six months of FY 1954 and is expected to reach a total of [] for the full year, or approximately \$21,000 more than in FY 1953. Salary payments in the second six months of FY 1954 will be higher as personnel reaches full strength and as heavier overtime payments are incurred during the main operational season.

d. A total of \$45,000 is projected for travel during FY 1954. \$20,000.00 was spent for this purpose in FY 1953. Approximately \$10,000 has been spent for travel in the first six months of FY 1954 and it is expected that this figure will more than triple during the second six months of the year due to the nature and extent of the training planned, the number of individuals involved and the travel connected with Part III of this program.

e. A figure of \$46,000.00 is projected for Rents and Utilities during FY 1954 as against disbursements of \$22,000.00 for FY 1953. Disbursements for the first six months of FY 1954 have been \$22,300.00.

f. While other expenses in some cases will be higher in FY 1954 than in FY 1953 they are balanced by generally lower outlays for equipment.

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g. The comparisons made in paragraphs b. c. d and e, account for the difference between FY 1953 obligations of [] and the FY 1954 budget of []. The higher projected costs for FY 1954 however, will not result from any new authorities or activities requested in this amendment but rather from normal increase in personnel and facilities of the project as envisaged in 1952 when the AEACRE Basic Plan, Amendment No. 1 and the T/O of 60 staff employees were authorized and approved.

h. It should be noted that AEACRE, as provided for by its administrative plan, has the status similar to that of a field station and must therefore budget for expenses which in the case of a normal project are ordinarily borne by supporting Headquarters elements. A large portion of the cost of AEACRE is overhead of a continuing and constant nature.

i. Budget form 59-104 and a detailed breakdown of the figures shown are attached to this presentation.

j. In addition to the above the following graphic portrayal of the AEACRE budget has been drawn up in order to indicate what portion of the cost of AEACRE results from its substantive activities as described in Parts II, III and IV and what portion can be considered DCB headquarters or administrative expense. Each section includes the expenses of those personnel and facilities directly and solely concerned with the activities described. DCB headquarters or administrative expense includes those costs which are of common concern to all of the activities of DCB.

4. RECOMMENDATIONS

That the revised budget for AEACRE Amendment No. 2 as here presented be approved for FY 1954.

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AEACRE BUDGET FY 1954

Total

